NSC BRITFIES

17 May 1955

## SOUTH VIRTHAL

- Diem moving cautiously to consolidate military and political EBIRS.
  - Personally supervised Army takeover of Imperial Guard at Dalat on 16 May, which has eliminated last source of potential organized support for Bac Dai.
  - 3. Vietnamese Army is now encircling Bigh Xuyen remnant (1,500 in marshes south of Saigon).
- II. Diem "studying with interest" joint Wa-French plans for integration of sect troops (Hos Hac, Cao Cai),
  - Cao Dai troops already rallied to Dies, but most Hos Hao troops remain dissident.
  - B. Actual absorption of latter will probably involve much hazgling and bribery.
  - C. Dien has complained to Mly of reports that French military are still in contact with Hos Mao dissidents.
  - Meanwhile, Cao Dai Pope is reportedly trying to D. assert authority over sect's forces. Dies believes French encouraging him, as potential focus of antigovernment activity.
- III. Diem has instructed Information Minister to curb auti-French tendencies in local press.
  - A. He still regards heavy concentration of French troops in Saigon area as provocative. DOCUMENTNO.

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- B. Present disposition of French forces is result of orders by C-in-C (Nly), who—as commander in chief in South Vietnam—also has paper command of UNA.
- C. Should Diem demand that French troops remaining in Victors be stationed at 17th Parallel truce line, action would call into question present command structure.
- IV. Meanwhile, Diem engaged in diplomatic efforts directed toward:
  - A. Prodding truce commission to obtain extension of deadline for refugee movement (which ended 18 May).
  - B. Molding VS-VK-French-Vietnamese conference in calgon to demonstrate Vietnam's international standing.
    - 1. French have indicated willingness, provided conference consists of local representatives.
    - 2. Australian minister in Salgon thinks he should participate if UK does.

